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July 2, 2014

Mr. Tim Dillon, City Manager
City of Seldovia
P.O. Box B
Seldovia, AK 99663

Dear Mr. Dillon:

**Re: Seldovia Harbor Improvements
Contract Amendment #1 for Additional Services**

Moffatt & Nichol (M&N) requests the approval of Contract Amendment #1 to our Scope of Work and the associated Professional Services fixed fee for the referenced project as a result of the increase in scope and level of effort to the contracted (authorized) Scope of Work. The additional effort will result in an increase in the authorized Professional Services budget by \$14,540 from the currently authorized \$164,886 to \$179,426. The proposed fee increase, summarized by project task follows:

Task Description	Authorized	Amendment 1	Proposed
Task 1: Project Management	\$ 15,644	\$ 1,380	\$ 17,024
Task 2: Construction Document Review	\$ 9,031	N/A	\$ 9,031
Task 3: Bid Document Preparation	\$ 11,900	N/A	\$ 11,900
Task 4: Bid Phase Services	\$ 17,741	\$ 5,460	\$ 23,201
Task 5: Construction Phase Services	\$ 99,912	N/A	\$ 99,912
Task 6: Project Closeout	\$ 10,569	N/A	\$ 10,569
Task 7: Permitting Support	N/A	\$ 7,700	\$ 7,700
Total - All Tasks	\$ 164,886	\$ 14,540	\$ 179,426

A detailed summary of additional effort by project personnel is attached, providing detail on how this fee adjustment was determined. Additional services covered in this request include:

Task 1: Project Management. Additional effort associated with coordinating the expanded Scope of Work and managing the project through completion of authorized Construction Phase Services, maintaining the overall level of effort for Project Management at 9-percent of total professional fees.

Task 4: Bid Phase Services. Additional services to support numerous substitution requests by Harris Sand & Gravel (Contractor) and Transpac Marinas and Puffin Electric (Subcontractors) concerning the timber floats and electrical/lighting system for the harbor improvements. These proposed improvements have necessitated SIGNIFICANT additional coordination between the City, Denali Commission and Contractor, and technical evaluation and review not originally anticipated during the bid phase: the proposed amendment to Task 4 reflects an accounting of actual unanticipated effort to date. We do not anticipate any further effort for bid substitution review.

Task 7: Permitting Support. Additional effort associated with preparing applications for Alaska Department of Environmental Conservation (ADEC) permitting for the new float water system, including coordination between the U.S. Army Corps, Alaska District (COE) as Designer-of-Record and the ADEC concerning technical issues. M&N will prepare, submit to, coordinate and negotiate with ADEC towards obtaining the following three-stage approval for the water system:

1. **Approval to Construct.** Submission of technical backup including design calculations and plans for the water system, as part of the published ADEC checklist for submission. Includes coordination between ADEC and COE on any technical RFI.
2. **Interim Approval to Operate.** Application for an end-of-construction approval for the City to turn on the water system for harbor users while final approval paperwork is being completed. Includes transmission of as-constructed modifications to the water system authorized during construction.
3. **Approval to operate.** Application for final approval of the finished harbor water system.

M&N's work under this task assumes the following:

- The ADEC review will not extend beyond the harbor water system as designed by the COE. Any effort required to justify or obtain approval of the City's existing water system, beyond the sections being replaced as part of this project, will be considered Additional Services.
- The COE will provide technical assistance as follows throughout the ADEC permitting process (Note: we confirmed this participation verbally with Robert Tedrick of the COE on July 2, 2014):
 - Engineer's report, signed and sealed, summarizing the Basis of Design (BOD).
 - Flow and pressure calculations for the water system.
 - A letter to forward to ADEC explaining that the COE does not seal engineer's plans and calculations; and that this letter will be adequate to secure ADEC approval.
 - Response to any technical questions and/or requests for information (RFIs) from ADEC.
 - Participation in discussions with ADEC concerning technical questions or RFIs.
 - Modification of the design and/or drawings and specifications if ADEC deems the water system unsatisfactory or incomplete as designed.
 - Following construction, a narrative identifying any changes to the water system as constructed, with associated as-constructed drawings.
- M&N cannot guarantee a successful permit application with any review agency, as much of this process falls outside of our control. Reasonable, good faith efforts will be made on the City's behalf to secure the necessary approvals and the City will be advised of any apparent or anticipated problems in the ADEC review process as it advances.

If this proposal meets with your approval, kindly sign and return below authorizing Contract Amendment #1 authorizing the above-described Additional Services.



Mr. Tim Dillon, City Manager
City of Seldovia
July 2, 2014

M&N # 8203

Please contact me if you have any questions concerning this proposal, and thank you for your careful consideration.

Sincerely,

MOFFATT & NICHOL

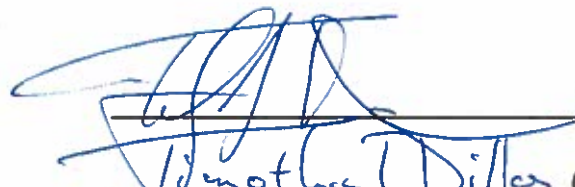


Shaun G. McFarlane, PE
Project Manager

Attachment:

- Fee Breakdown: Contract Amendment #1

ACCEPTED FOR CITY OF SELDOVIA:



(sign)

Timothy Dillon (name)

City Manager (title)

July 28, 2014 (date)